

SENATE BILL 1290
By Henry

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, Parts 1 and 2 and Section 67-6-704, relative to sales tax for direct-to-home satellite services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-102, is amended by adding the following new subsection:

() "Direct-to-home satellite service" means only programming transmitted or broadcast by satellite directly to the subscribers' premises without the use of ground receiving or distribution equipment, except at the subscribers' premises or in the uplink process to the satellite. These services shall not be considered "telecommunications" as defined under this title.

SECTION 2. Tennessee Code Annotated, Section 67-6-102(23)(F), is amended by adding the following new subpart:

() The furnishing, for consideration, of direct-to-home satellite services;

SECTION 3. Tennessee Code Annotated, Section 67-6-102(29)(D), is amended by adding after the phrase "coaxial cable television (CATV) which is offered for public consumption," the following language:

direct-to-home satellite service,

SECTION 4. Tennessee Code Annotated, Section 67-6-205(a), is amended by deleting the current subsection and replacing it with the following language:

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(a) There is levied a tax at the rate of six percent (6%) of the gross charge for all services taxable under this chapter except for direct-to-home satellite service, which shall be taxed at the rate set by Section 67-6-224.

SECTION 5. Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by adding the following new section:

Section 67-6-224. For the exercise of the privilege of making retail sales of direct-to-home satellite services as defined in Section 67-6-102(), a tax is levied at the rate of six percent (6%) on the gross charge for providing the service plus a percentage on the gross charge equal to the local option sales tax rate or rates in effect at the situs where the service is delivered. Revenues from the six percent (6%) rate shall be distributed as provided in Section 67-6-103. Revenues from the additional rate or rates shall be distributed as local option sales tax revenues are distributed under Title 67, Chapter 6, Part 7.

SECTION 6. Tennessee Code Annotated, Section 67-6-704, is amended by adding the following language to the end of that section:

No county or incorporated city or town may levy any tax on the sale, purchase, use, consumption, or distribution of direct-to-home satellite service as defined in Section 67-6-102.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.

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